AMENDED: 6/13/01

INNOVATIVE PEAK LOAD REDUCTION PROGRAM

APPLICATION



California Energy Commission Grants and Loans Office 1516 Ninth Street, MS-1 Sacramento, CA 95814 916-654-4381

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INNOVATIVE PEAK LOAD REDUCTION PROGRAM GRANT APPLICATION

This document provides information and instructions for submitting a project application to the California Energy Commission's Innovative Peak Load Reduction program.

- Part I provides information about the program and general instructions.
- Part II describes the criteria used for evaluating applications.
- Part III includes the application, instructions, and sample documentation.

PART I: INFORMATION ABOUT THIS SOLICITATION

A. PROGRAM SUMMARY

The goal of the Innovative Peak Load Reduction Program is to reduce peak electricity demand on the California electricity system - by tapping the creativity of the private market.

Qualified applicants may receive funding through:

- 1. **Grants -** to facility owners or their authorized representatives who have identified specific demand reduction projects.
- 2. **Contracts** to third parties who wish to target and recruit customers using a common set of peak load reduction strategies.

B. FUNDING

Approximately \$38 million is available for grants and contracts under this program element. Funding may be augmented if the Commission reallocates funds from another SB 5X Program Element.

A minimum peak electricity demand savings of 20 kW is required for grants, and a minimum of 500 kW is required for contracts for third party programs. The maximum grant or contract amount per eligible applicant is \$4 million.

Grants

The amount of the grant award will be set based on a level of \$250 per estimated average peak kilowatt saved plus a bonus incentive for early project completion. For the purpose of setting the grant award, the bonus incentive will be estimated based on a mutually agreed upon "earliest feasible completion date." The actual bonus payment will be calculated based on the verified completion date and will equal \$1 per kW for each day before September 30, 2001 that the Innovative Peak Reduction Program

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project is completed. Actual grant payments will be based on either (1) documented average peak load reduction or (2) a corrected peak load reduction estimate to account for changes in the project, at the discretion of the Energy Commission project manager. Under no circumstances will the grant payment exceed the actual project costs or the original amount approved by the Commission.

All projects at a particular site should be included in one application. Projects at multiple sites, owned by the same organization, should also be included in one application. Similar projects at multiple sites owned by legally unrelated entities may be aggregated by a third party in a single application.

Contracts

The contract amount will be negotiated on a case by case basis depending on the certainty, reliability and speed at which peak demand electricity savings can be delivered by the proposed program. Third party contractors will be reimbursed monthly for time, materials and pass-through incentives. Payment advances for pass-through incentives may be arranged on a case by case basis. Total proposed costs should not exceed \$250 per average peak kW saved. All projects at a particular site must be included in one application. An application may include more than one project at multiple sites.

C. MATCH SHARE

A match share of 25% is required of grant applicants. However, that may be waived if the grant amount per kW saved is \$200 per kW or below. In no case will the grant reimbursement exceed the actual project cost. Bonus incentives for early project completion may be applied toward the applicants match share requirement. Any loan can be applied to the match share requirement.

D. DEFINITIONS

- 1. Applicant Any individual or entity applying for funds under this program element.
- 2. <u>Commission or Energy Commission</u> California Energy Resources Conservation and Development Commission.
- 3. <u>Committee</u> Peak Load Reduction Committee of the Energy Resources Conservation and Development Commission or subsequent committee charged with implementing the Innovative Peak Load Reduction Program.
- 4. <u>Contractor</u> A third party that signs a contract with the Energy Commission to implement a program targeting certain facilities or peak load reduction strategies.
- 5. <u>Funding Award</u> Award of funds to an applicant under this program element through a grant or the approval of a contract.
- 6. <u>Peak Electricity Demand Period</u> 2 p.m. to 6 p.m. on non-holiday weekdays, June 1 through September 30.

- 7. <u>Peak Electricity Demand Savings</u> For the purpose of this solicitation only, this includes any reduction in electrical demand or peak electricity supply augmentation from a waste energy source that meets the eligibility requirements for this program element.
- 8. <u>Program</u> Innovative Peak Load Reduction Program.
- 9. <u>Program Element</u> The individual subject areas designated for funding by SB 5X (i.e., Innovative Peakload Reduction, Cool Savings).
- 10. Recipient Any eligible individual or entity receiving grant or contract funds under this program.
- 11. <u>Waste Energy Source</u> Available energy from a process that is not being utilized under the existing conditions.

E. ELIGIBLE APPLICANTS

The following electric customers:

- Commercial
- Industrial
- Local government including cities, counties and special districts
- Municipal water and wastewater facilities
- Residential (single or multi-family homes), but projects may need to be aggregated to reach the minimum peak load savings of 20 kW for grants, 500 kW for third party contracts.

The following customers must apply to other programs as indicated:

- Agriculture customers, such as farms, food processors, dairies, cold food storage facilities and irrigation districts should contact the Energy Commission's Agriculture Peak Load Reduction Program at (800) 555-7794
- State-owned buildings and universities (UC, CSU) should contact the Department of General Services Energy Assessments Office at (916) 323-8777.
- For individual residences inquire with your local utility about energy conservation

F. ELIGIBLE PROJECTS

In order to be eligible for funding under this program element, all proposed projects must meet the following seven minimum requirements:

1. The project must reduce California peak electricity demand or must generate electricity using a waste energy recovery method. In order to ensure that a project reduces peak electricity demand, if an applicant is already counting savings from a project as a condition for receiving funds from another funding source, such as a utility incentive program or other grant program, the applicant cannot count those savings for the project proposed under this program.

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- 2. The peak electricity demand savings resulting from the project must <u>not</u> be a continuation of previous load reduction or supply. It must be a reduction from the load that existed in the 2000 peak electricity demand period or a reduction from a load planned to be on the electricity system during the 2002 peak electricity demand period, or a new contribution to electricity supply that was not available during the 2000 peak electricity demand period.
- 3. The project must <u>not</u> be eligible for funding in another Peak Load Reduction Program element. The other program elements are as follows:
 - Cool Savings Low-Energy Use Building Materials
 - Demand Responsiveness HVAC and Lighting Building Systems
 - Water/Wastewater Agency Generation Retrofits
 - Agriculture Program

Projects that qualify for one of these five elements must apply to these programs rather than the Innovative Peak Load Reduction Program. Information on these programs is available at www.energy.ca.gov/peakload/.

For third party programs, proposals should not provide services or incentives that are already offered in any area targeted by the proposed program.

- 4. The project must be operational and reducing peak electricity demand or producing peak electricity by June 1, 2002
- 5. The project must reduce peak electricity demand from the date of completion until September 30, 2004 during the summer months, June 1 through September 30.
- 6. The project must have isolated and measurable peak electricity demand savings or supply augmentation.
- 7. The project must comply with all applicable environmental laws, rules, regulations and ordinances.

Examples of eligible projects, provided they comply with all of the above eligibility requirements, are as follows:

- Projects that permanently reduce electrical demand of equipment that regularly operates during the peak electricity demand period such as solar water heating to displace electric water heating, thermal energy storage, and efficiency improvements to lighting, motor systems, and space cooling equipment.
- Projects that reduce the electrical demand of equipment only during the peak electricity demand period such as scheduled equipment curtailment using automated controls.

- Waste-energy recovery projects that augment electrical supply during the peak electricity demand period such as currently unused waste heat from an existing industrial process; generation using landfill gas or micro-hydro turbines using head from an existing process.
- Innovative voluntary programs to reduce air emissions through energy conservation and related actions pursuant to programs authorized by law in effect on April 11, 2001.

Certain types of projects must meet additional eligibility criteria as follows:

- Projects replacing inefficient equipment with more efficient equipment must demonstrate that the old equipment has been eliminated from the resale market.
- If the project involves restarting a facility, equipment, or system that has not been operating since May 1, 1999, or earlier, the applicant must guarantee operation that reduces or serves system peak electrical load for at least the next three years.
- If the project is under way prior to applying for grant funds, the applicant must demonstrate that the grant will result in peak electricity demand savings by:
 - Changes in the equipment purchased or the manner in which it is installed
 - Accelerating installation and achieving savings at least one year earlier than would have occurred without the grant.

Costs incurred prior to the approved grant term are not eligible for reimbursement.

G. PROJECTS NOT ELIGIBLE FOR FUNDING

- Electrical generation projects other than waste energy recovery projects.
- Projects that were operating at any time since May 1, 1999.
- Projects that receive any other Commission grant or contract funds.
- Fuel switching projects that increase fossil fuel use (may be calculated from the perspective of the whole electric grid, taking into account the efficiency of central power plants at peak, transmission and distribution losses, and on-site electric conversion losses).

H. APPLICATION PROCESS

- 1. Complete and sign the enclosed application form.
- 2. Attach all requested information to the application.
- 3. Submit **one signed original (signed in ink and clearly marked "original") and 3 copies** of your final application and all supporting documents to the appropriate address listed in the following table:

Grant Applications with total estimated peak demand savings of 20-400kW	Grants Applications with total estimated peak demand savings over 400 kW	Contract Proposals for third party programs
Mail to: XENERGY Inc. Attention: Peak Load Programs 492 9 th Street, Suite 220 Oakland, CA 94607-4048	Mail to: California Energy Commission Grants and Loans Office 1516 Ninth Street, MS-1 Sacramento, CA 95814-5512 Attention: Innovative Peak Load Reduction Program	Mail to: Dale Trenschel California Energy Commission 1516 Ninth Street, MS-25 Sacramento, CA 95814-5512
Questions: (866) PEAKKW1 ((866) 732-5591) or peakload@xenergy.com	Questions: Michelle Stansky mstansky@energy.state.ca.us (916) 654-4037 or Ram Verma rverma@energy.state.ca.us (916) 654-8435 Mailing Address: California Energy Commission 1516 Ninth Street, MS-25 Sacramento, CA 95814-5512 Fax #: (916) 654-4304	Questions: Dale Trenschel (916) 654-4098 dtrensch@energy.state.ca.us Fax #: (916) 654-4304

I. QUESTIONS ABOUT THIS SOLICITATION

Frequently asked questions and answers are posted on the web at www.energy.ca.gov/peakload/. Any additional questions should be submitted to the appropriate contact listed in the table.

J. APPLICATION DEADLINE

Grant applications with estimated peak savings of 20-400kW must be **received** at the address listed in the table above, by 4:00 p.m., July 31, 2001.

Grant applications over 400kW must be **received** at the address listed in the table above, by 4:00 p.m., June 15, 2001.

Funding will be awarded on a first come, first served basis. Applicants are strongly advised to submit their **complete** application packages as soon as possible to ensure that funds are available.

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K. SCHEDULE

The schedule for this funding solicitation is as follows:

Application Package Available	May 14, 2001
Applications accepted	Immediately
Grant Applications submittal deadline (20-400 kW)	July 31, 2001, by 4 p.m.
Grant Applications submittal deadline (above 400 kW) & Third Party Program Proposals	June 15, 2001, by 4 p.m.
All projects must be operational	June 1, 2002

L. APPLICATION REVIEW AND APPROVAL PROCESS

Applications will be processed as follows:

1. Screening for Eligibility –

- The Energy Commission or Xenergy staff will initially screen applications for eligibility and completeness.
- b) Complete applications will be reviewed in the order received. Funds will not be reserved for the proposed project until staff receives a complete application package and determines that the proposed project meets the minimum eligibility criteria. Applicants who submit incomplete applications will be notified of deficiencies within 14 days, but will lose their place in line in the review process until all requested information is received.
- 2. Approval The Energy Commission's Peak Load Reduction Committee or Xenergy's Project Manager will approve applications for funding. The date of approval will be the official project start date. Expenses incurred prior to the date of approval cannot be reimbursed. The Energy Commission and Xenergy reserve the right to award all, any part, or none of the funds available under this solicitation, and to fund all or any part of any proposed project which has received a passing evaluation.

3. Agreements –

- a) Grant Agreement After a project application is approved a grant agreement will be developed for both the funding recipient and the Energy Commission or Xenergy to sign. This agreement defines the work to be completed, products, schedule, budget, and the rights and obligations of the recipient and the Energy Commission or Xenergy. To review the SB 5X Terms and Conditions, which will be included in your grant agreement, go to the web site www.energy.ca.gov/peakload/
- b) Contract Agreement After a project application is approved, a contract will be developed for both the contractor and the Energy Commission to sign. The contract will

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Innovative Peak Reduction Program Amended: 6/13/01 define the work to be completed, products, schedule, budget and the rights and obligations of the contractor and the Energy Commission.

M. DISBURSEMENT OF FUNDS

- Grant payments will be made after the project is complete and the recipient demonstrates that it has achieved the desired peak electricity demand savings or supply augmentation.
- Grant payments will be based on the approved dollars requested per estimated kW of peak electricity demand savings (or supply augmentation) expected to be achieved plus a bonus calculated based on a reasonable project completion date. The Commission and Xenergy reserve the right to adjust the estimated peak savings and the earliest feasible completion date. If the peak electrical demand savings or supply augmentation falls short of the original estimates, reimbursement may be reduced proportionally from the original grant award.
- Contract payments for administrative expenses will be made on a reimbursement basis and incentive pass-through expenses may be advanced after the recipient submits the appropriate invoice(s) to the Commission Accounting Office.
- All invoices must be submitted with a completed payment request form and accompanied by all backup documentation. The backup documentation should include copies of paid invoices and receipts detailing the specific equipment and purchases, the services produced, and personnel time records where appropriate.
- Commission or Xenergy staff must approve all invoices. Such approval is subject to the submission of acceptable progress reports by the recipient, other specified products, and the appropriateness of the invoiced expenses under the grant or contract agreement.

N. REPORTING REQUIREMENTS

All recipients will be required to submit monthly progress reports to the Commission or Xenergy staff, due by the fifth of each month beginning July 1, 2001, until the project is complete and a final report submitted. The progress reports shall contain at a minimum the following information:

- a) Status of work, including an indication of overall progress compared to the expected schedule and goals, and milestones achieved;
- b) Any deliverables (products) as identified in the grant or contract agreement;
- c) A comparison of project expenses to date to the expected budget; and
- d) Any barriers that have been encountered that could delay the completion of the project.

In addition, the program manager may periodically contact the recipients to assess progress. If the recipient fails to reach predetermined performance milestones during project development, the recipient will be required to explain how the project schedule can recover to the program manager's satisfaction, or the grant award or contract may be rescinded.

Grant recipients must submit a final report after the project is completed and before funding can be awarded. Requirements for the final report can be found in the Terms and Conditions.

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O. MEASUREMENT AND VERIFICATION

Measurement and verification consists of three components:

<u>Analysis of projected savings.</u> All projects' pre-installation documentation of projected demand savings will be analyzed for validity and accuracy. Recipients will be responsible for submitting complete documentation that indicates the basis for projected demand savings. See page four (4) of the application form for requirements for documenting estimated peak electricity demand savings.

<u>Verification of proper installation</u>. Recipients will be required to submit documentation confirming the installation and commissioning of each project. Documentation will be tailored to each project but will include items such as installation date, description of installed systems, customer acceptance, and commissioning report. The Commission or Xenergy may inspect sites to confirm proper installation. Payments may be reduced or not paid if complete and proper installation is not documented.

<u>Pre- and post-installation evaluation</u>. The Commission will audit a sample of grant recipients' projects to verify compliance with the grant or contract agreement and approved project documentation, and to document peak electricity demand reductions or supply augmentation. This work may include pre-installation and/or post-installation inspections, metering, data collection, interviews, and utility bill data analyses. Recipients will be required to cooperate with Commission staff or their representatives who conduct these evaluations.

In addition to these measurement and verification components, the Commission will monitor the progress of awards and evaluate the effectiveness of the program and this program element. Recipients must maintain records for a period of at least three years after final payment is received and allow the Commission access to records and installation sites during this three-year period.

P. PROJECT START DATE

No Commission-funded work may begin prior to the date of grant approval or contract award. Other related work, which is not part of the Commission-funded project and for which the recipient does not intend to submit invoices for reimbursement may be done prior to approval of the grant or contract award.

Q. LOCAL AGENCY RESOLUTION

When the recipient is a county, city, district or other local public body, the recipient must provide a copy of a signed resolution, order, or ordinance of the local governing body which by law has authority to enter into the grant agreement or contract. This document must authorize the recipient to enter into the grant agreement and designate an authorized representative to execute all necessary agreements to implement and carry out the purposes of the award.

The governing body resolution (Exhibit 5), or equivalent, need not be submitted with the application, but it must be received before payments can be disbursed to the recipient. Failure to submit the resolution or equivalent within the specified time could result in withdrawal of the grant. Note: Public Agencies should immediately initiate the process to obtain the resolution from their board or governing body to avoid delay of the project.

R. CONFIDENTIAL INFORMATION

Applications and proposals shall not contain confidential material. Any material in an application that is marked confidential automatically will be disregarded and returned to the applicant. The application will be evaluated without the confidential information. All applications submitted to the Energy Commission will be public documents once the project selections are made.

S. CANCELLATION OF SOLICITATION

The Energy Commission and Xenergy reserve the right to do any of the following:

- 1. Cancel the solicitation at any time.
- 2. Modify these instructions and application as needed upon written notice.
- 3. Reject any or all applications received in response to the solicitation.

PART II: HOW YOUR PROPOSAL WILL BE EVALUATED

A. INITIAL SCREENING OF PROPOSALS

Prior to evaluating, all applications will be screened for completeness and to determine if they meet the minimum eligibility requirements. The following checklist is provided to assist you in ensuring that your application is complete.

1. APPLICATION CHECKLIST

Needed Item	What Must Be Submitted?	For additional information, refer to the following Application Sections	
Applicant meets all eligibility requirements	Include all relevant information in Section E of the Application Form, Part III	Eligible Applicants: Part I, Section E	
Project meets all eligibility requirements	Include all relevant information in Section E of the Application Form, Part III	Eligible/Ineligible Projects: Part I, Section F	
☐ Application form, Part III, is complete and signed ☐ Attachment 1 – Work Statement ☐ Attachment 2 – Project Budget ☐ Attachment 3 – Calculations for peak electricity demand savings including engineering certification (if required).	The original signed application including Attachments 1-3 plus three complete copies.	 The application is available electronically at: www.energy.ca.gov/peakload/ or contact Maria Baca at peakload@energy.state.ca.us or (800) 555-7794 Where to send applications and get information: Part I, Section H Application deadline: Part I, Section J Application process: Part I, Section L Disbursement of funds: Part I, Section M Part III, Section F, Attachments 	

B. EVALUATING CRITERIA

The following table shows the evaluation criteria that will be used by the committee. The application must receive a "pass" in each area. Please keep this in mind when selecting your projects and preparing your proposal.

	TECHNICAL EVALUATION CRITERIA PASS FAIL		
CF	CRITERIA		FAIL
1.	Project feasibility Factors to be considered: a) Is the project technically feasible? b) Is the project economically viable? c) Does the applicant or its contractor have experienced and qualified staff? d) Does the applicant have the financial means to finance project costs prior to reimbursement?		
2.	Level of certainty of demand savings Factors to be considered: a) Are the baseline assumptions plausible? b) Are the calculations accurate? c) Does the proposal have data to back-up the calculations? d) Does the proposal demonstrate verifiability of savings?		
3.	Effective use of funds Factors to be considered: a) The project will not increase fossil fuel consumption b) Does the project reduce peak demand during the required hours through 9/30/04? c) Is the life of project long enough to justify the long-term savings?		
4.	Timely Completion Factors to be considered: a) Has the applicant submitted a detailed schedule that indicates timely completion? b) Is the "earliest feasible completion date" plausible? c) Is the "latest expected completion date" reasonable?		
5.	Reliability of load impacts Factors to be considered: a) Probability that demand reductions or supply augmentation will occur during critical summer peak days b) Verifiability of the load impacts of the project		

CONTRACTS

In addition to the above criteria, proposals for third party peak load reduction programs will be evaluated based on cost-effective use of state funds and the plausibility of the program plan.

PART III

APPLICATION FORM

INNOVATIVE PEAK LOAD REDUCTION PROGRAM

Electronic Version for filling out in Microsoft Word—(Tab between or click on the check boxes and shaded text fields to input your data)

This form must be filled out completely and signed by the applicant.

Please respond to each guestion or information request completely and concisely. Note that some questions have more than one part. Many questions require only a brief response. Are you applying for a grant or a contract for a third party program? (Please check one) Grant (I have identified specific peak load reduction projects in my facilities and want funding to offset the cost of implementing them). Contract (I have a proposal to recruit participants and identify and implement peak reduction projects in their facilities). A. APPLICANT INFORMATION Full Legal Name of Applicant Organization: Years in Business Under Current Name: ______Year First Established: ______ Social Security or Federal Employers ID Number: Authorized Representative: City:_____ State:____ Zip Code:_____ Phone:______ Fax: ______ E-mail address:____ Type of Organization(s) or Business(es) of applicant (check) ☐ Local Government☐ Special District☐ General Partnership Other Public Entity ■ Non-Profit Organization University or College Sole Proprietor

Corporation

Limited Partnership

☐ Limited Liability Company

☐ Individual

Other (specify):

Note: Certain entities such as corporations, limited partnerships/limited liability companies may be required to register and be in good standing with the California Secretary of State to be eligible to enter into a grant/contract agreement with the Energy Commission. If you are not registered with the California Secretary of State, we encourage you to contact their office at www.ss.ca.gov or (916) 653-6814 as soon as possible to avoid potential delays in beginning your project should you be awarded a grant/contract.

B. PROJECT BUDGET AND FUNDING REQUEST		
Estimated Total Project Cost:	\$ 	
Grant/contract Funding Requested (any amount over \$250/kW will be calculated based on a reasonable completion date during evaluation and added to the grant award)	\$ 	
Estimated Peak Electricity Demand Savings/augmentation:	 kW	
Grant/contract Cost/kW (= Grant/contract request divided by demand/savings/augmentation, not to exceed \$250/kW):	\$ /kW	
C. PROJECT TIME TABLE		
Earliest Feasible Completion Date:		
Latest Expected Completion Date:		

D. PROJECT DESCRIPTION OR PROGRAM PLAN

PROVIDE <u>ONE</u> OF THE FOLLOWING:

For Grants: Project Description

Describe your proposed project. Some details about your project will be requested in the specific questions in the following Section F, so please read these completely before writing your project summary to avoid unnecessary duplication.

Include the following information in your project description:

- Describe the project, the products and technologies used, and how they will be employed.
- List all facilities, buildings or equipment that will be affected by the project.
- State whether the project involves reduction of base load demand, reduction of peak electricity demand, load shifting, or supply augmentation using available waste energy.

For Contracts: Program Plan

Include a program plan that includes the following headings:

- What Will be Done?
 - Directly
 - Through third parties
- Target Market
- Recruitment Plan
- Criteria for Selecting Program Participants
- Verification Criteria and Plan
- Method of Tracking Program/Project Progress and Results
- Reporting

E. PROJECT DETAILS

1. PROJECT FEASIBILITY

a) Project Team Capabilities, Experience and History of Success with Similar Projects

List all key individuals including consultants and contractors who will be involved in the various facets of the project. What experience and qualifications do the staff and/or contractors on your project team have that will help ensure successful implementation of your proposal? Include any experience and history of success with projects similar to those proposed in your application.

b) Applicant's Financial Capabilities

How will your organization finance the project installation prior to being reimbursed by the Commission?

2. EFFECTIVE USE OF GRANT/CONTRACT FUNDS

Methods and assumptions used in estimating peak electricity demand savings or supply augmentations must meet minimum quality standards. In particular, savings estimates that are obviously exaggerated will be grounds for disqualification.

a) Use of Other Energy Efficiency Incentives

Please note that if an applicant is already counting savings from a project as a condition for receiving funds from another funding source, such as a utility incentive program or other grant/contract program, the applicant cannot count those savings for the project proposed under this program.

Are you receiving incentives from an electric utility for any of the components of your project? No Yes
If yes, please specify the utility providing the incentive and the amount of the incentive, and list the project components or elements that the incentive is intended to fund.

3. RELIABILITY OF LOAD IMPACTS

All proposals will undergo a technical screening by a registered professional engineer to evaluate factors 3(a) and 3(b).

a) Probability that the Demand Reductions or Supply Augmentation Will Occur during Critical Summer Peak Days

When will the demand reductions or supply augmentations occur? (Time of day, days of week, and time of year, or under certain weather conditions, etc.) If applicable, how will the demand reductions or dispatchability be reliably controlled or triggered?

b) Verifiability of the Load Impacts of the Project

Please describe any relevant data or information that may assist in verifying the pre-project demand and the demand savings or supply augmentation.

F. ATTACHMENTS

Note: If your project is selected for a grant/contract award, the **Work Statement** and **Budget** as presented in your application and revised by Commission staff, if necessary, will become part of your grant/contract agreement, a legal document that lays out the terms and conditions of your grant/contract award with the Commission. Grant/contract recipients will be required to submit electronic copies of their Work Statement and Budget for this purpose. In order to expedite initiation of your project if it is selected for an award, please carefully draft these sections in your grant/contract application and follow the format in the samples included in this document. Any revisions to these sections that are required after the project is selected will delay the start date of your project.

Please ensure that all attachments are completed according to the instructions and attached to your application.

ATTACHMENT 1. WORK STATEMENT

Provide a clear and understandable work statement describing the specific tasks to be conducted including key milestones, products, if any, and schedule for conducting this project.

Prepare the Work Statement as a separate Attachment with the heading "Attachment 1. Work Statement." Please see Instructions and Sample Work Statement and use this format to prepare your Work Statement.

ATTACHMENT 2. BUDGET

Provide a budget for your project that itemizes costs for equipment, labor, supplies, and other costs. Expenses will be reimbursed in accordance with the budget included in the application. Funds can only be used to reimburse the recipient for expenses paid by the recipient and can only be paid after the Program Manager has verified or the applicant has certified that the project is complete. Expenses paid with state funds cannot exceed the total amount of funds requested in the application and listed in the budget section, nor the actual project cost. Only expenses incurred during the term of the grant/contract can be reimbursed.

Prepare the Budget as a separate attachment to your application with the heading "Attachment 2. Budget." Please see Budget Instructions and Sample Budget. Only include the budget categories shown in the sample.

ATTACHMENT 3. CALCULATIONS OF PEAK ELECTRICITY DEMAND SAVINGS OR SUPPLY AUGMENTATION

Attachment 3 must clearly show how your estimated demand reduction or supply augmentation is derived.

- Include all relevant data that will allow an engineer to duplicate the demand savings estimate indicated, such as:
 - Concise description of the existing energy systems to be affected
 - Area of the facility, plug load and process load, if any
 - Location of affected equipment
 - Condition and age of equipment if a degradation in nameplate efficiency is assumed
 - Hours of operation of the affected equipment
 - Number of existing units
 - Ratings of equipment (wattage, nameplate, tonnage, voltage, etc.)
 - Measure-by-measure summary of the calculated demand savings associated with the project
 - Historical peak power (if demand metered) and/or energy consumption data
 - Facility physical description and occupancy (including activities in building and hours of operation)

- Clearly indicate all assumptions and variables used in the analysis.
- Describe the basis or rationale for each assumption and variable.
- For projects requiring an engineering analysis, such as those involving complex equipment,
 processes or equipment interactions, include certification from a professional engineer registered in
 the state of California that the calculations were performed in accordance with accepted engineering
 practices and are true and correct. If you are unsure whether a project requires this certification,
 contact the program manager.

Please see "Information for Calculating Estimated Peak Electricity Demand Savings", which provides guidelines for calculating peak electricity demand savings.

ATTACHMENT 4. GOVERNING BODY RESOLUTION (Public entities only)

When the recipient is a county, city, district, or other local public body, the recipient must provide an original signed resolution (or copy with original signed certification), order, motion, or ordinance of the local governing body which by law has authority to enter into the grant/contract agreement. This document must authorize the recipient to enter into the grant/contract agreement and designate an authorized representative to execute all necessary documents to implement and carry out the purposes of the award. This document need not be submitted with the application. However, payments will not be made until the resolution is submitted to the Energy Commission or Xenergy. **Applicants are strongly urged to immediately initiate the process to obtain a resolution.**

Please see Sample Governing Body Resolution for a sample resolution that may be used as a guide or filled out and certified by the local agency.

H. APPLICANT CERTIFICATION

information is correct and complete. I authorize the California Energy Commission or Xenergy to make any necessary inquiries to verify the information I have presented.		
Signature of Authorized Representative	Date	
Name (typed or printed):		
Relationship to applicant organization:(i.e. President, County Superintendent, General Partner, hired co	onsultant)	

Note: For public agencies, the Authorized Representative is the person designated in the Governing Body resolution, order, motion, or ordinance of the local governing body which has the authority to enter into the funding agreement.

INSTRUCTIONS AND SAMPLE WORK STATEMENT (For preparing Attachment 1)

TASK 1. NAME OF TASK

Describe the task to be performed and its expected completion date. If there are several activities that must be accomplished to complete the task, list them as subtasks. Number any subtasks as 1.1, 1.2, etc., to make it easier to report on tasks in your monthly reports, etc.

1.1 Describe the subtask to be performed. Include specific details of the work to be performed.

Completion Date: List the date the subtask will be completed.

Product Description: List products resulting from the task or subtask, if any.

Product Due Date: List the date the product will be submitted to the Energy

Commission Project Manager.

NOTE: It is not necessary to have a product for each task or subtask. However, if the task results in information, a report, or other data of value to the Energy Commission, it should be listed as a product. The Commission Project Manager may add products to the Work Statement in preparing the grant/contract agreement.

SAMPLE:

TASK 1. Install and commission a new high efficiency chiller

- 1.1. *Company Name* will remove and dispose of old chiller, piping and wiring. Completion date: June 15, 2001
- 1.2. *Company Name* will receive delivery of new chiller and inspect and certify that all equipment is received in satisfactory condition.

 Completion date: July 1, 2001

1.3. *Company Name* will install and commission new chiller.

Completion date: July 15, 2001

Product Description: Commissioning report

Product Due Date: July 25, 2001

BUDGET INSTRUCTIONS AND SAMPLE BUDGET (For preparing Attachment 2)

Provide a detailed budget of proposed expenditures. Funds must be used for projects described in the work statement. Please include all categories listed below, and only these categories in the following order. If your project has no budget in the category, list and put "\$0" in the budget column.

PERSONNEL: List job classification, hourly salary, number of hours to work on this project, and total cost. If employees are paid on a monthly versus hourly basis, provide monthly salary, percentage of time to be worked on this project, number of months to work on this project, and total cost.

FRINGE BENEFITS: Specify percentage of Salaries and Wages and total cost.

TRAVEL: List each trip (or category of trip), purpose of trip, itemization of costs, and cost per trip. Any trips that are not included in the grant/contract budget will require prior written authorization from the Energy Commission Project Manager. (See the grant/contract award Terms and Conditions at <<u>www.energy.ca.gov/peakload/</u>> for allowable travel rates.)

EQUIPMENT: Itemize with costs per item. This includes all equipment that will be directly purchased by the Recipient. "Equipment" means tangible non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5000 or more per unit.

SUPPLIES: Itemize with costs per item. This includes all supplies that will be directly purchased by the Recipient.

CONTRACTUAL: Specify the amount and purpose of each contract. (This would include contracts for the purchase and installation of equipment, etc.)

OTHER: List any other items that do not fall in any of the above categories.

INDIRECT: Indicate if indirect will be charged as a percentage of Personnel and Fringe Benefits or total direct charges. State the basis for the proposed indirect cost rates. <u>Attach documentation of calculations.</u> The Energy Commission Project Manager will review the indirect rate and may make adjustments, if necessary.

SAMPLE BUDGET

Note: Insert \$0" for any cost categories that are not necessary for your project.

Personnel	Lee Ruth, Mechanical Engineer (30 hours @ \$50/hr) Robert Church, Project Manager (50 hours @\$100/hr)	1,500 5,000
	Total Salaries and Wages	6,500
Fringe Benefits	(% of Personnel)	1,625
Travel	10 trips to project sites to monitor installation @ 31¢/mile @ approximately 20 miles per trip	62
Equipment	5 pumps at \$10,000 each 1 high efficiency 200 ton chiller	50,000 250,000
	Total Equipment	300,000
Supplies	Electrical wire 3,000 electronic ballasts @ \$25 each 12,000 T-8 lamps @ \$2 each Total Supplies	200 75,000 24,000 99,200
Contractual	Equipment installation contract	
Other	None	78,000
	TOTAL DIRECT COSTS	0
Indirect	(% of total direct costs)	485,387
	TOTAL	4,854

INFORMATION FOR CALCULATING ESTIMATED PEAK ELECTRICITY DEMAND SAVINGS

(For preparing Attachment 3)

Peak electricity demand savings must be calculated as the average hourly reduction in demand or supply augmentation expected during the hours of 2 p.m. to 6 p.m. on non-holiday weekdays from June 1 through September 30.

Calculations of savings must take into account any variable loads on the relevant equipment. For example, for a pumping efficiency improvement, the peak electricity demand savings should be calculated using pump loads that are representative of typical operating conditions during the summer peak demand period, preferably based on hourly historical operating data. If the peak electricity demand savings will occur only during a portion of the period June 1 through September 30, then the savings must be reduced proportionally. The following formula can be used to cover these types of projects:

$$\sum_{i=1}^{n} (Kwh_{i_{before}} - Kwh_{i_{after}})/4n$$

Where

n = the number of non-holiday weekdays from June 1st to September 30th.

Kwh_{ibefore} and Kwh_{iafter} is the energy consumption of the system before and after the project, for each hour between 2p.m. and 6p.m. for this four month period.

It is up to the applicant to present a convincing case for how peak electricity demand savings should be estimated. If it is unclear whether your preferred method is sufficient, contact the program manager. If it is not clear whether any of the above methods are appropriate for your project, contact the program manager to verify the appropriate approach for estimating the demand impact.

SAMPLE GOVERNING BODY RESOLUTION (For public entities only)

Resolution of for the Innovative Efficiency and Renewables Program
Resolution No.
Resolution of (Name of Public Agency)
WHEREAS , the California Energy Commission provides grant/contracts to finance energy efficiency projects that will reduce peak electricity demand or renewable generation to augment peak electricity supply;
NOW THEREFORE, BE IT RESOLVED , that (<i>governing body</i>) authorizes (<i>name of public agency</i>) to apply for funding from the California Energy Commission to (<i>description of project</i>).
BE IT ALSO RESOLVED , that if recommended for a funding award by the California Energy Commission, the (<i>governing body</i>) authorizes (<i>Name of Public Agency</i>) to accept a grant/contract up to \$
BE IT FURTHER RESOLVED , that (<i>title of official</i>) is hereby authorized and empowered to execute in the name of (<i>Name of Public Agency</i>) all necessary documents to implement and carry out the purpose of this resolution, and to undertake all actions necessary to undertake and complete the energy efficiency project.
Passed, Approved and Adopted this day of, 2001.
Governing Board Members:
